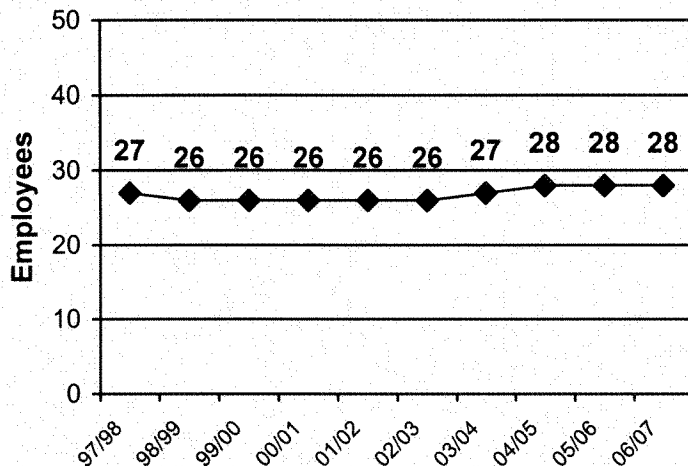


MISSION STATEMENT

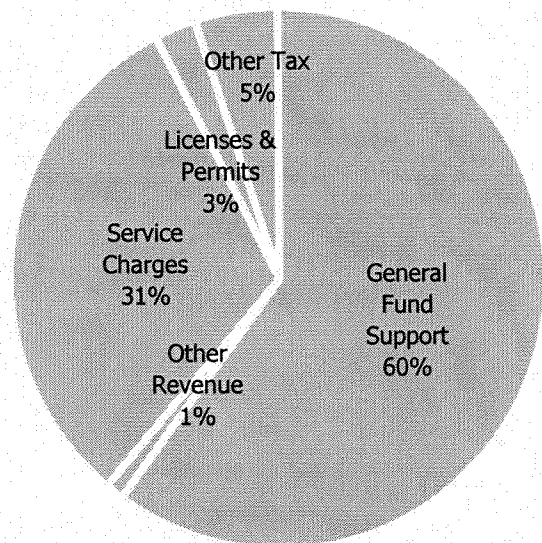
The Treasurer, Tax Collector, Public Administrator's staff is committed to provide quality service to the community. This includes efficient collection and prudent management of public funds needed for public services.

Financial Summary	2005-06 Budget	2005-06 Projected	2006-07 Requested	2006-07 Recommended	Change From 2005-06
Revenues	\$ 1,107,978	\$ 1,126,162	\$ 1,125,635	\$ 1,125,635	\$ 17,657
Salary and Benefits	2,200,845	2,317,075	2,474,872	2,470,105	269,260
Services and Supplies	298,854	296,299	343,127	343,127	44,273
Fixed Assets	0	0	0	0	0
**Gross Expenditures	\$ 2,499,699	\$ 2,613,374	\$ 2,817,999	\$ 2,813,232	\$ 313,533
General Fund Support (G.F.S.)	<u>\$ 1,391,721</u>	<u>\$ 1,487,212</u>	<u>\$ 1,692,364</u>	<u>\$ 1,687,597</u>	<u>\$ 295,876</u>

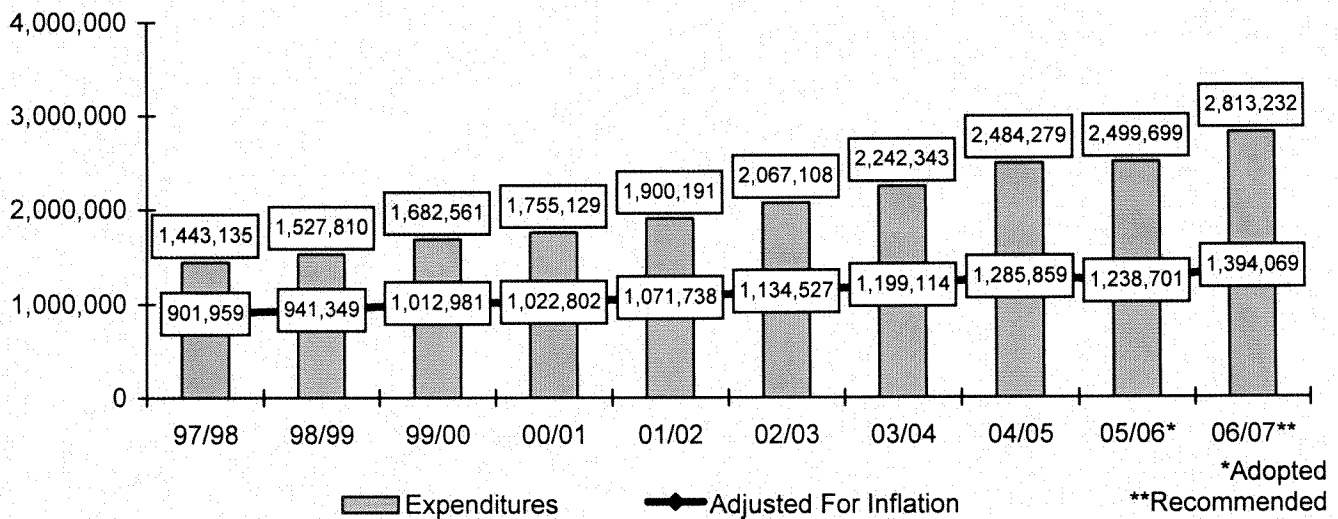
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Local Mandated Collections

Administer the issuance of business licenses for all unincorporated areas of the County; and collect and account for business license regulatory fees and Transient Occupancy Taxes (hotel bed taxes).

Total Expenditures: \$73,391 Total Staffing (FTE): .78

Public Administrator

Administer the estates of deceased County residents when there is no one willing or qualified to act as executor or administrator of the estate to ensure compliance with legal mandates. Services include coordinating property sale or other disposition; researching and notifying beneficiaries; processing court documentation, income tax returns, wills; and ensuring payments to creditors.

Total Expenditures: \$179,831 Total Staffing (FTE): 1.68

Secured Collections

Manage the billing, collection, and accounting of taxes secured by real property, i.e., residential and commercial land and buildings. Collect delinquent property taxes and coordinate the sale of tax-defaulted property through sealed bid sales, "Chapter 8" agreement sales, and public auctions.

Total Expenditures: \$1,144,164 Total Staffing (FTE): 11.25

Supplemental Collections

Manage the billing, collection, and accounting of Supplemental Property Taxes (secured or unsecured) when the property value is reassessed due to a change in ownership or the completion of construction on real property.

Total Expenditures: \$298,464 Total Staffing (FTE): 3.54

Treasury

Provide banking services including receiving, depositing, investing, and controlling all monies belonging to the County, school districts, and special districts for which the County Treasurer is ex-officio treasurer. Support the schools, special districts, and the County in issuing and selling bonds and special tax assessments.

Total Expenditures: \$670,453 Total Staffing (FTE): 5.99

Unsecured Collections

Manage the billing, collection, and accounting of taxes on unsecured property, i.e., business fixtures and equipment, racehorses, airplanes, and boats. Administer a collection program for delinquent unsecured property taxes.

Total Expenditures: \$446,929 Total Staffing (FTE): 4.76

DEPARTMENT COMMENTS

The combined Office of Treasurer, Tax Collector, Public Administrator continues to focus on providing efficient, quality, and cost-effective service to the community. The Mission Statement, "Provide Quality Service," reflects this focus. The goals related to the mission are 1) Perform duties in compliance with all applicable laws, 2) Carry out duties in a competent and professional manner, 3) Provide accurate and timely information, 4) Treat others courteously and fairly at all times, 5) Promote a positive work environment.

Key Accomplishments for Fiscal Year 2005-06**Customer Service:**

1. Consolidation of Treasurer and Tax Collector public service counter which provided more flexibility in staffing, and benefited the customer by providing additional cross-trained staff.
2. Implemented programs for the exchange of tax information and payments to be transmitted electronically with lenders, title companies, and tax collection service (CORTAC) agencies.

Internal Business Improvements:

1. Utilized Taxes on the Web (TOW) data to provide the Supplemental Roll in electronic format to financial institutions.
2. Implemented network faxing and emailing of tax status information from various computer systems allowing better utilization of staff time, faster response to taxpayers, and savings in supply costs.

Finance:

1. Expanded pre-programmed letters which utilize tax data from the Taxes on the Web (TOW) database to respond to specific taxpayer issues. This saves staff time and allows for a faster response. (Approximately 400 system letters were issued in December 2005.)
2. Realigned related or similar duties in order to utilize existing staff to work on the new Integrated Document Management system, thus avoiding the need to request additional staffing.

Learning and Growth:

1. Implemented a Duties and Standards Memorandum, Training Tracking Form, and Training Checklist which details the duties and expectations for each position.
2. Developed in-house training classes to increase staff's understanding of the supplemental billing process.

Major Focus for Fiscal Year 2006-07

Customer Service: Continue to enhance the Customer Service Program with an ultimate goal of providing the public with access to all department services on-line. This year's focus will be on electronic tax billing.

Internal Business Improvements: Utilize technology to streamline processes and replace obsolete systems in order to deliver services in a more effective manner. Improvements will include the ability to access accurate and timely data, generate enhanced reports, and reduce training time.

Finance: Establish a Redemption Action Program (RAP) which will initiate personal contact with taxpayers in the first year of delinquency thereby increasing tax dollars collected.

Learning and Growth: Implement a Training Committee to determine training needs, offer specialized training for department systems, and customize training for each position.

In Conclusion

The challenge for the department is to continue to meet the increasing workload while delivering quality services at the lowest possible cost to the community. Approval of the Status Quo Budget will provide the resources to allow the department to meet its objectives for fiscal year 2006-07.

RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS

Unit /Amount	Description	Results
Gross: \$101,717 General Fund Support: \$76,717	Convert one Limited Term Financial Analyst I/II/III position to permanent. (In FY 04/05, revenue to the General Fund from the delinquent unsecured taxes program was \$113,880, a 61% increase over the previous year without the position.)	<ul style="list-style-type: none"> Continue to manage and enhance the delinquent collections program which increases revenue and taxes credited to the General Fund. It is anticipated that in FY 06/07, 25% of the unsecured delinquent taxes will be collected or approximately \$500,000.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget provides a General Fund support increase for the Treasurer/Tax Collector of \$295,876, or 21%. It is recommended that the limited term Financial Analyst position be made permanent based on this position's history of collecting delinquent unsecured taxes that more than offsets the cost of the position. Services and supplies are increasing by 14%, or \$44,273 due to costs associated with computer software, consulting, and licenses upgrades. Revenues are essentially remaining the same as in the current year with a modest \$17,657 or, 1% increase. Salaries and benefits are recommended to increase by \$267,620 (12%) primarily due to prevailing wage increase.

GOALS/PERFORMANCE MEASURES

Department Goal: Provide helpful, courteous, responsive service to County departments and the public while accommodating all reasonable requests.						
Communitywide Result Link: A well-governed community.						
1. Performance Measure: Percentage of customer satisfaction surveys which rate department performance as "excellent" or "good."						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
98%	100%	99%	98%	100%	100%	100%
What: Satisfaction survey results collected from customers who are served in person, through the mail, or over the Internet.						
Why: To ensure effective customer service and track changing customer expectations.						
How are we doing? In FY 05/06, customer satisfaction surveys were conducted at the combined Tax Collector and Treasury depository counter. Of the survey responses received in FY 05/06, 100% rated the service as "excellent" or "good." The department's new location now provides one public counter for all services which is staffed as the workload requires, reducing the time waiting for assistance.						

Department Goal: Manage the Treasury investment pool, which includes deposits from the County, schools, and special districts, in a manner that ensures the preservation of capital and provides the ability to meet the cash flow needs of the pool participants.						
Communitywide Result Link: A prosperous community.						
2. Performance Measure: Percentage of public funds invested.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
99%	99%	99%	99%	99%	99%	99%
What: The percentage of available funds invested.						
Why: To maximize the return on investment for public funds not immediately required to support governmental operations.						
How are we doing? The County Treasurer's policy is to invest all funds that are not immediately needed. The County Treasury is able to invest such a high proportion of the funds because of the use of modern banking techniques such as electronic transfers, controlled disbursements, and on-line account tracking.						

3. Performance Measure: Percentage of time that the annual County Treasury Oversight Committee investment policy compliance audit results in 100% compliance.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
100%	100%	100%	100%	100%	100%	100%

What: The County Treasury Oversight Committee was formed in 1996. One of its duties is to authorize an independent audit of the County Treasury investments each year. The committee may contract with one of the following: 1) the County Auditor-Controller, 2) the independent certified public accountants (CPAs) that review the County's Comprehensive Annual Financial Report, or 3) independent CPAs as deemed appropriate.

Why: The annual compliance audit ensures that investment procedures are effectively being implemented to preserve capital and meet cash flow requirements of the pool participants.

How are we doing? These investment audits have consistently found the County Treasury to be in compliance with the San Luis Obispo County Treasury Investment Policy.

4. Performance Measure: Percentage of time which the net yield of San Luis Obispo County Treasury investments falls within 0.5% of the yield earned by the State Local Agency Investment Fund (LAIF).

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
100%	100%	100%	100%	100%	75%	100%

What: Investment yields (return on investments minus all administrative and banking costs).

Why: By law, the investment yield is the third priority after safety and liquidity are met.

How are we doing? It is projected that for FY 05/06, the County Treasury net yield will be below the LAIF net yield by more than 0.5%. The LAIF pool has investments with shorter maturities while the County Treasury pool has investments with longer maturities up to three years. LAIF, therefore, receives higher yields within a short period in an increasing interest rate environment. The County Treasury pool is expected to remain behind LAIF for three months, beginning in August of FY 05/06. It is also expected that as the County Treasury investments mature and new investments are purchased, the Treasury will receive yields that are within the 0.5% level. To compare the LAIF and County Treasury portfolios: 1) The LAIF portfolio is \$61 billion vs. \$458 million in the County Treasury portfolio. 2) LAIF is an investment fund, whereas, the County Treasury must cover the costs of daily operations.

Department Goal: Maintain modern, efficient treasury cash management and banking systems, providing proper internal controls to safeguard, manage, and account for liquid assets.

Communitywide Result Link: A prosperous and well-governed community.

5. Performance Measure: Percentage of time that "no findings" is the result of the internal quarterly cash procedures audit by the County Auditor-Controller's Office and the annual Treasury audit by outside auditors.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
100%	100%	100%	100%	100%	100%	100%

What: Treasury internal quarterly and external annual audit results.

Why: Internal and external audits certify that procedures are being maintained to ensure effective internal control to safeguard, manage, and account for liquid assets.

How are we doing? The County Treasury consistently passes audits without any negative findings. If a suggestion is made by the audit team which will further improve our procedures, the suggestion is discussed and incorporated.

6. Performance Measure: Maintain an "AAA/V1+" credit rating by Fitch Ratings for the Treasury Combined Pool Investments.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1+"	"AAA/V1+"

What: Independent rating of creditworthiness.

Why: Credit ratings are an objective measure of the County's ability to pay its financial obligations. Investment pools rated "AAA" meet the highest credit quality standards for underlying assets, diversification, management, and operational capabilities. The pool's "V1+" volatility rating reflects low market risk and a strong capacity to return stable principal values to participants, even in severely adverse interest rate environments.

How are we doing? The San Luis Obispo County Treasury has continually maintained an "AAA/V1+" credit rating, which is the highest rating available from the nationally recognized statistical rating organization, Fitch Ratings. Fitch has rated the Treasury pool with their highest rating since FY 1994/95.

Department Goal: Process tax payments promptly and accurately to provide timely availability of funds to the government agencies for which taxes are collected.

Communitywide Result Link: A prosperous community.

7. Performance Measure: Collection costs as a percentage of current secured taxes collected.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
0.27%	0.29%	0.29%	0.28%	0.28%	0.25%	0.25%

What: Costs to collect current secured taxes.

Why: To comply with the legal mandate to collect current year property taxes.

How are we doing? For FY 05/06, the County projects to collect approximately \$339,875,225 in secured taxes, 98.8%. The Treasurer-Tax Collector's collection costs for this same period are approximately 0.25%. Additionally, the Tax Collector's Office is continuing to explore and implement improvements to its automation and E-Commerce to maintain or reduce costs. Of comparable counties surveyed, Placer at 0.25% is the closest to San Luis Obispo County in the number of assessments.

8. Performance Measure: Percentage of annual current secured property taxes owed that is not collected.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
1.3%	1.0%	1.2%	1.2%	1.0%	1.2%	1.2%

What: Collection of property taxes.

Why: To comply with legal mandates that require the collection of property taxes.

How are we doing? For FY 05/06, San Luis Obispo County had an uncollected current secured tax charge percentage of 1.2%, as compared to the state average of 2.9%.

9. Performance Measure: Percentage of qualified delinquent unsecured taxes collected.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	N/A	N/A	37%	20%	30%	25%

What: Collection of delinquent unsecured taxes.

Why: Revenue and Taxation Code 2963, prohibits active collection of taxes on the unsecured roll after three years from the date taxes become delinquent. As of November 2005, the amount of delinquent taxes subject to active collection is approximately \$1,979,610. We project to collect \$594,000 or 30%.

How are we doing? By November 2005, the enhanced collections unit collected \$390,649 or 20%. The unit is projecting to collect an additional 10% or approximately \$203,500 by the end of the fiscal year. This is a direct result of adding the limited-term Financial Analyst position.

Department Goal: Implement cost justified, proven technologies to improve automated processing and reporting systems to provide current, accessible, and accurate information for the public.

Communitywide Result Link: A well-governed community.

10. Performance Measure: Percentage of Customer Service Program implemented that will enable the public to review and transact business on-line with the Treasurer, Tax Collector, Public Administrator's Office.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	N/A	N/A	80%	90%	85%	95%

What: The Treasurer, Tax Collector, Public Administrator website will be modified to allow for electronic commerce with the community.

Why: The ability to transact business 24/7 on-line is an important tool to improve the quality of service to the community.

How are we doing? The Office of the Treasurer, Tax Collector, Public Administrator is participating in the County eGovernment project with the goal to build and deploy a new Internet and Intranet solution that includes a state of the art content management system which supports the County's newly adopted information architecture. This project will help rebuild the office information website into a more customer friendly format and provide forms availability. The overall Customer Service Program was expanded to encompass some of the benefits of the County's Integrated Document Management program, thereby reducing the FY 05/06 projected results from the 05/06 adopted results.

Department Goal: Efficiently administer the estates of deceased County residents when there is no executor or administrator to protect estate assets in the best interests of the beneficiaries, creditors, and the County.

Communitywide Result Link: A well-governed community.

11. Performance Measure: Percentage of referrals to the Public Administrator that are completed with an initial investigation report, burial arrangements, and any required initial legal filing within 15 business days.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
100%	100%	100%	100%	100%	100%	100%

What: Cases referred to the Public Administrator when no executor or administrator is available.

Why: To ensure compliance with legal requirements and protect the estate assets.

How are we doing? According to department policy, we begin each estate investigation immediately upon notification. As of November 2005, 22 case referrals were received and an estate investigation conducted. The procedure involves extensive investigations and family location processes. In FY 04/05, 39 referred cases were administered per State Probate Code.